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income for the purpose of reducing the amount of the reported deficit for fiscal 1967.

This is not normal revenue and should not be treated as such for budgetary reporting.

One national magazine recently described the operations of selling our assets and using the proceeds as though they were normal revenue as comparable to pawning the family silver to buy this week's groceries.

When we add all these items of non-recurring income which are included in the figures for this year as though the amount constituted normal revenue we find that rather than a \$9.7 billion deficit, we actually have an \$18.770 billion deficit during the current fiscal year, 1967.

I think that Congress and the American people should be made aware of that fact and should realize that these are nonrecurring items of income. The American people should be told that if our expenditures and our income were computed in the same manner as they had been for the past 150 years, prior to this new, fancy bookkeeping, juggling system of the Great Society, the reported deficit for fiscal 1967 would be \$18.7 billion instead of that \$9.7 billion now claimed.

As we approach the question of whether we must increase taxes, it would be well for us to recognize that a tax increase alone will not solve our deficit problems. What we need above all is the recognition that we cannot afford many of the fancy ideas which we are receiving from the executive branch today. This Great Society is too expensive for our pocketbooks.

We must curtail expenditures even in programs that we all like. We must cut back on many of these domestic programs. Otherwise we face a financial catastrophe in this country. Inflation is still the No. 1 threat in this country.

I think the President was negligent in not recognizing this danger a year ago instead of trying to perpetuate the farce that we were only operating with a \$1.8 billion deficit.

Certainly no man who studied these figures ever thought that we could finance a war on such a basis. Even now they are only admitting half of the true picture; namely, that we have in excess of an \$18 billion deficit. Why try to deceive the American people?

I was very disappointed in the President's message on Tuesday night when he failed to admit the real deficit confronting us for fiscal 1967. Instead of recommending and encouraging a cutback on some of the domestic programs, he actually asked for an acceleration of spending. He has given every indication of promising more and more of everything for everybody on the premise that the Federal Government is a bottomless pit when it comes to getting money.

I believe that the President should remind the American people that this Government does not have access to any mysterious source of income.

The only money that the Federal Government can give to the American people, either as individuals or as State or local agencies in the form of grants, is

money which has first been taken from their pockets as taxpayers, directly or indirectly, in the form of taxation or in the form of creating a larger national debt.

I have been very disappointed with this administration, which insists upon ignoring its deficits.

When the figures are adjusted to realistic and proper accounting methods one finds that this Great Society—this administration, under President Johnson—in the years 1964, 1965, 1966, and 1967 has spent a total of \$40½ billion more than it has taken in. That is an average of \$10 billion a year that the administration is running this country in the red—an average of \$800 million a month, or \$40 million a day for every day this administration is in office on the basis of a 5-day workweek. Carrying the figures further, it comes to \$5 million per hour.

Let us face it—the American people cannot afford the extravagance of this Great Society.

I cite one example of how the American people are being misled by the propaganda that is coming from the executive branch as to how expenditures are being cut. These attempts to mislead the people, rather than restoring confidence, are largely contributing to the credibility gap, a gap which is being enlarged.

I refer to December 1965, at which time President Johnson, speaking from his Texas White House, promised to cut back Federal civilian employment by 25,000. He promised that the executive branch would insist upon a 25,000 roll-back in employment during the rest of that fiscal year, which ended last June 30.

Mr. President, I ask unanimous consent that the New York Times article of December 2, 1965, confirming the President's promise to cut back employment by 25,000 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT BACKS A CUT IN U.S. JOBS—APPROVES PLAN TO RETIRE 25,000—SPENDS QUIET DAY

AUSTIN, TEX., December 1.—President Johnson approved this afternoon a plan that could eliminate 25,000 Government jobs.

The plan, contained in a memorandum from the Budget Bureau and released here, instructs the heads of Government departments and agencies to reduce their employment by 1 to 1.25 per cent by the end of the fiscal year 1966, which ends next June 30.

Joseph Laitin, assistant White House press secretary, said the plan did not mean that present employees would be dismissed. It is designed, he said, to take advantage of stepped-up retirements from Government jobs.

These retirements have been increasing because of a new law offering certain inducements, including larger pensions, to employees who retire before the first of the year.

"The vacancies thus created," the memorandum said, "present an opportunity to take new specific action to carry out the President's long-standing instructions to hold Federal employment at the minimum necessary to carry out Government operations effectively."

The President spent a quiet day at his ranch studying reports and preparing for a meeting tomorrow with Secretary of Agriculture Orville L. Freeman and Secretary of State Dean Rusk.

The main topic at the meeting is expected to be the world food situation and Mr. Johnson's forthcoming talk with President Mohammad Ayub Khan of Pakistan.

Mr. Rusk is expected to join Mr. Johnson and Defense Secretary Robert S. McNamara for a discussion of world problems this weekend or early next week. The White House announced yesterday that this meeting would be held tomorrow or Friday. However, officials explained today that administrative work at the Pentagon would keep Mr. McNamara in Washington longer than expected.

The President also spoke by telephone with his special assistant for national security affairs, Mr. McGeorge Bundy. Mr. Laitin, in response to a question, said that the subject of Mr. Bundy's future had not been discussed and that, to the best of his knowledge, the two men had never discussed it. Mr. Bundy has been offered a post as head of the Ford Foundation.

Mr. WILLIAMS of Delaware. Instead of cutting employment by 25,000, we find that between December 1, 1965, and July 1, 1966, the administration actually added 187,506 new employees to the payroll. That was an average of 26,000 a month, 6,500 a week, or 1,300 a day for every day during the 7-month period following a promise of a cutback.

Then during the last campaign, on September 20, 1966, an Executive order was issued freezing employment at the level that prevailed on June 30 for the temporary appointees and at the level that prevailed on July 31 for all permanent employees. Much was said about this great promise of economy by the administration. They would freeze employment at the level prevailing at the beginning of this fiscal year.

Mr. President, I ask unanimous consent that this Executive order, signed by Charles L. Schultze, the Director of the Budget, be printed at this point in the RECORD.

There being no objection, the Executive order was ordered to be printed in the RECORD, as follows:

**EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., September 20, 1966.**

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

Subject: Fiscal year 1967 employment ceilings.

1. The President has directed that the head of each agency take necessary steps to:

a. Hold employment in *full-time permanent positions* for the remainder of fiscal 1967 to a level at or below that prevailing as of July 31, 1966. (Those agencies whose employment is already above the July 31, 1966, figure should reduce their employment to the July 31 level as expeditiously as possible by not filling vacancies.)

b. Hold employment in *temporary, part-time, or intermittent positions* for the remainder of fiscal 1967 to a level at or below that prevailing as of June 30, 1966, except for meeting normal seasonal changes in agency workloads. In no event should such employment on June 30, 1967, exceed that on June 30, 1966.

2. These actions are an essential part of President Johnson's efforts to reduce Federal expenditures.

3. Each agency head should make every effort to achieve the lowest possible level of

employment. We must increase our productivity, redeploy our personnel, simplify our procedures and strip work to essentials in order to meet the employment ceilings established by this memorandum.

4. In view of the personnel requirements involved in the Viet Nam conflict, the Department of Defense and the Selective Service System are specifically exempt from paragraph 1 of this memorandum. For these two agencies, employment ceilings heretofore in effect will remain in effect subject to adjustment during review of the 1968 budget.

5. In the case of the Post Office, the June 30, 1967, employment ceiling established in the January budget review will remain in effect.

6. Requests for exception to the levels established by this memorandum will be presented to the Director of the Bureau of the Budget by the agency head under the following circumstances only:

a. When the need for employment increases can be related directly to requirements for Southeast Asia, or

b. When employment increases are needed for new programs which were not in existence on July 31, 1966, and for which appropriations or other funds have been provided and have been apportioned by the Bureau of the Budget, or

c. When employment increases are needed for emergency situations involving the protection of life, property, or the national security, or

d. When transfers of functions from one agency to another or from headquarters to the field result in a need to adjust employment levels.

In any of the above cases, *exceptions will not be requested until the agency head has determined that it is clearly not possible to meet the required employment needs by redeploying personnel from other areas so as to remain under the employment level established by this memorandum. Exceptions will not be granted unless agencies clearly demonstrate that such shifts have been evaluated and that they are not feasible.*

CHARLES L. SCHULTZE,

Director.

Mr. WILLIAMS of Delaware. Now what happened? Instead of cutting back on the number of employees on the Federal payroll or holding the number at the level as stated by the Executive order, 96,692 employees were added during the first 5 months of this fiscal year. This was during the period that this Executive order has been in effect.

In the month of October 24,488 were added to the public payroll. In November, the most recent month for which we have an accounting, 36,728 more were added.

Although 96,692 employees were added during the present fiscal year while this Executive order, freezing the level at that of July 1, was in effect.

I repeat, the administration for the past 5 months has been adding employees at the rate of 19,000 per month, or an average of 950 a day. Reducing the figures further to a 40-hour work-week it means that since July 1, two employees have been added every minute. This padding of the public payroll was at a time when the President had in effect an Executive order purportedly freezing employment. The fact that this was an election period cannot be overlooked.

The time has come when the American people should be told the truth. I notice that in his message to Congress earlier this week the President recommended a

truth-in-lending bill. There is merit in the proposal to have truth in lending, but I say most respectfully that what we need above all is more truth in Government. Let the administration tell the American people the truth as to what is being spent. Then the people can more intelligently decide whether or not they can afford the luxury of maintaining this extravagant administration in office. Extravagant administration, yes, Mr. President—the most extravagant administration that has ever had control of the White House in the history of this country.

The total expenditures of the U.S. Government during the first 6 years of the New Deal administration, 1933 through 1938, were \$40.6 billion—or about the same amount as the actual deficit created by the Johnson administration during its first 4 years in office.

HEADING OFF THE NUCLEAR ARMS RACE

Mr. KUCHEL. Mr. President, in his state of the Union message on January 10, 2 days ago, the President said:

The Soviet Union has in the past year increased its long-range missile capabilities. It has begun to place near Moscow a limited antimissile defense. My first responsibility to our people is to assure that no nation can ever find it rational to launch a nuclear attack or to use its nuclear power as a credible threat against us or our allies.

I would emphasize that that is why an important link between Russia and the United States is our common interest in arms control and disarmament. We have the solemn duty to slow down the arms race between us if that is at all possible, in both conventional and nuclear weapons and defenses. I thought we were making some progress in that direction, in the first few months I was in office. I realize any additional race would impose on our peoples and on all mankind for that matter, an additional waste of resources with no gain in security to either side.

I expect in the days ahead to closely consult and seek the advice of Congress about the possibilities of international agreements bearing directly upon this problem.

Americans are gratified, Mr. President, at this recognition by the administration of a crucial problem which so directly and crucially affects the entire human race. I believe the United States should try to open full and frank discussions with the Soviet Union, in an endeavor to find common cause in heading off an arms race threatened by Soviet deployment of an antiballistic missile system—the so-called ABM. If this were to prove impossible, Mr. President, then our country would, of course, have no alternative; and the appropriate means of military response would indeed be provided. As a member of the Subcommittee on Department of Defense, of the Committee on Appropriations, I would support such a step, whatever the cost.

Ambassador Llewellyn Thompson, the distinguished veteran American diplomat, has arrived in Moscow to begin another tour as representative of our country. All Americans wish him every success in efforts to make clear the deep concern of the American people and the

American Government for maintenance of a rational nuclear balance. His discussion ought to form the first step in the opening of the high-level discussions which I believe are vitally necessary at this crucial moment in world history.

On December 9, 1966, I sent the President a telegram, calling on him to employ the most expeditious diplomatic channels to take up with the Soviet Union the question posed by deployment of the Soviet antiballistic missile system. I ask unanimous consent that the text of my telegram to the President on that occasion be printed in full in the Record.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

[Text of Senator Kuchel's telegram]

Soviet decision to proceed with development and deployment of anti-ballistic missile system threatens a new and ominous round in nuclear arms race. As Commander-in-Chief of Armed Forces and elected leader of our Nation, you are most keenly aware among all men of grave portent for peace posed by this Soviet initiative.

In past years Soviet leaders have indicated that they would be willing to take necessary steps to avoid global nuclear war, but their actions respecting production and development of nuclear weaponry contradicts this claim.

I am firmly convinced that no useful steps can be taken toward achievement of man's dream of peace on earth without support of world's major nuclear powers. Whatever their political and ideological differences, they must agree to a common interest in avoiding nuclear holocaust, if not, indeed in preserving fertile and productive atmosphere in which men can live on this earth.

I respectfully urge you to employ most expeditious diplomatic channels to convey to leaders of Soviet Union at highest level the deep concerns of American people on these issues. I also urge that, without conceding any valid American interests, you call for full and frank discussions with Soviet leaders in order to seek common cause to reverse trend in weaponry which Soviet actions may have started. If successful, such discussions could lead to a further exploration of current assumptions of world nuclear policy with a view to taking the necessary steps toward peace, something which could be rendered impossible if the nuclear arms race is to be resumed.

FREE PRESS AND FREE BROADCASTER

Mr. ERVIN. Mr. President, one of America's most forthright television and radio officials is Charles H. Crutchfield, president of the Jefferson Standard Broadcasting Co., of Charlotte, N.C. Southern Advertising and Publishing for October 1966 carried an article by Mr. Crutchfield entitled "The Free Press and the Free Broadcaster," which sets forth in a graphic fashion the necessity of preserving free speech in the television and radio industry.

This article merits the thoughtful consideration of all Americans who are concerned about various proposals for censorship of the press and broadcasting. For this reason, I ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows: